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# U.S. Tries to Track Down Income Said to Be Motive in Soviet Spy Case

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WASHINGTON, June 9 — While the Government asserts that John A. Walker Jr. spied for the Soviet Union for the purpose of making money, Federal investigators are still trying to determine how much he may have received for his activities.

Court papers made public by the Federal Bureau of Investigation have made only two references to possible spy payments. One concerned \$12,000 his brother Arthur, also charged with spying, is said to have received, and another cited \$35,000 an informer said John Walker picked up in a paper bag about 15 years ago.

But, according to Internal Revenue Service estimates underlying liens it filed last week against John Walker's assets, he earned more than \$80,000 a year over the last six years that he did not report as income.

An I.R.S. official declined to say how the estimate of unreported income was made, but said that such assessments were often based on information supplied by other Federal agencies or an analysis of financial records.

Mr. Walker's assets included a house in Norfolk, Va., an airplane and a houseboat as well as property in South Carolina and the Bahamas.

Mr. Walker's former wife, Barbara Joy Crowley Walker, who reported Mr. Walker to the F.B.I. last year, has told reporters that her former husband probably spent most of the money he is alleged to have received from spying on numerous trips and an expensive life style. She estimates that before their divorce in 1976, her former husband received a total of more than \$100,000 for his activities, which she said were prompted by a need to aid his financially distressed businesses.

Mr. Walker's court-appointed attorney filed a financial statement last week putting his client's net

worth, including the property on which the liens were subsequently filed, at \$174,000, with \$6,400 in liquid assets like cash or stocks, and the rest in real estate and property. Public records and appraisals by tax assessors place a somewhat higher value than Mr. Walker used for some of his land holdings.

The F.B.I. is continuing to investigate Mr. Walker and his associates, but it may be impossible to construct a complete picture of Mr. Walker's finances over the last 20 years, the period when the bureau has said he was involved in espionage.

An examination of public records and interviews with sources familiar with Mr. Walker's finances show some investments that may have been designed to hide cash and other indications that he was short of money on several occasions.

For example, Mr. Walker invested in silver bars, an investment that investigators say is sometimes used to hide money from the Government. F.B.I. agents seized 10 bars, worth a total of more than \$6,000, in a search of his safe deposit box.

## Extensive Travel May Have Consumed Money

But Mr. Walker also borrowed money to finance many of his purchases, including land and a building near Charleston, S.C., as well as his houseboat, car and airplane, according to public records. The manager of the Federal Credit Union at the Naval Amphibious Base in Norfolk, Va., which financed the car, the plane and the houseboat, said that Mr. Walker had not made any unusually large deposits in his account there.

The manager said the F.B.I. had taken all of Mr. Walker's records.

Mr. Walker purchased four parcels of land on two Bahamian islands between 1975 and 1977 for \$15,259 in cash, according to real estate records in Nassau. Mr. Bennett said Mr. Walker had told him that he purchased his land in the Bahamas for \$5,000.

While the Bahamas are often an outlet for investors seeking to hide illicit cash, according to public records of numerous criminal cases, these type of investments are usually made through a corporate entity. Mr. Walker's investments are in his own name, according to the records.

Mr. Walker traveled extensively in the time when the F.B.I. charges he was delivering classified documents to the Soviet Union. These travels, which, according to the F.B.I., included trips to Europe, Asia, Latin America and the Caribbean, could have consumed a considerable amount of money.

## Various Businesses Provided Little Income

F.B.I. affidavits made public in the cases against Mr. Walker and the other three suspects who have been charged have made only two references to possible payments for spying. In one affidavit the F.B.I. said a confidential informer had told the bureau that Mr. Walker had picked up a bag containing \$35,000 about 15 years ago in Washington.

Another affidavit said Arthur J. Walker, Mr. Walker's older brother, who has also been charged with espionage, told agents that he was paid \$12,000 in 1982 by John Walker to supply classified Navy documents. If John Walker served as a paymaster for spying activities it might explain why he did not accumulate a lot of wealth on his own.

Mr. Walker's Navy career, which ended in 1976, and his private business ventures were not sources of great financial wealth.

According to a Navy spokesman, Mr. Walker was making about \$18,000 a year when he retired, and his current Navy pension is about \$13,000 a year.

In 1975 John and Arthur Walker incorporated a small car radio repair concern, Walker Enterprises, according to public records, but the business disbanded around 1981, after the I.R.S. filed a lien for failure to

pay \$28,000 in back taxes and several creditors sued for nonpayment of bills, according to court records.

In 1980 Mr. Walker set up a private investigative concern in Norfolk that eventually came to include three companies housed in the same office. But according to Billy A. Franklin, another private detective in Norfolk, "The little business he did couldn't pay my bar bill."

Mrs. Walker told reporters for The Los Angeles Times and The Cape Cod Times last week that she believes her husband became involved in spying in order to shore up a failing restaurant he was operating in South Carolina, north of Charleston.

The restaurant eventually closed. Mr. Walker still owns the building and the nearly five acres surrounding it. In a May 20 financial affidavit, Mr. Walker valued the property at \$60,000. The Berkeley County tax assessor appraised the land's value in 1984 at \$96,000. Mr. Walker rents the building to the Veterans of Foreign Wars Post 3433.

Mr. Walker's attorney, Fred W. Bennett, said in an interview that he was "satisfied" that the information he submitted to the court about Mr. Walker's finances was "accurate," based on the limited conversations he had had with Mr. Walker in jail and on a credit report.

The I.R.S. liens were filed after Mr. Bennett submitted the financial statement for his client. The liens are against Mr. Walker's property, for \$252,000 in back taxes for the last six years, or an average of \$42,000 per year. According to an I.R.S. official, the liens were based on estimates that Mr. Walker was at or near the 50 percent tax bracket, which would mean more than \$80,000 in unreported income.

The lien means Mr. Walker has no control over the assets he listed and will be unable to hire an outside lawyer until the I.R.S. dispute is resolved or unless Mr. Walker has other, unreported assets.